

Personnel
Workers' Compensation Benefits and Reserve

	Revised FY 2006	Requested FY 2007	Requested FY 2008	Recommended FY 2007	Recommended FY 2008
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	4,628,500	5,734,000	4,161,000	3,002,900	1,704,400
Current Receipts	24,765,100	23,363,900	24,357,000	23,500,000	24,500,000
Non-Revenue Receipts	-1,500,000	-52,400	-54,200		
Fund Transfers	-3,028,500				
Total Restricted Funds	24,865,100	29,045,500	28,463,800	26,502,900	26,204,400
TOTAL SOURCE OF FUNDS	24,865,100	29,045,500	28,463,800	26,502,900	26,204,400
EXPENDITURES BY CLASS					
Personnel Cost	20,682,400	23,681,400	26,738,100	23,595,400	24,978,700
Operating Expenses	1,173,300	1,197,600	1,221,200	1,197,600	1,221,200
Capital Outlay	6,500	5,500	4,500	5,500	4,500
TOTAL EXPENDITURES	21,862,200	24,884,500	27,963,800	24,798,500	26,204,400
EXPENDITURES BY FUND SOURCE					
Restricted Funds	21,862,200	24,884,500	27,963,800	24,798,500	26,204,400
TOTAL EXPENDITURES	21,862,200	24,884,500	27,963,800	24,798,500	26,204,400

Created in 1990, the Workers' Compensation Benefits and Reserve is state government's self-insured Workers' Compensation program. The program provides coverage to all three branches of government: executive, legislative, and judicial, but excludes the Transportation Cabinet, the University of Kentucky, the University of Louisville, and most recently all other state universities except Murray State University. The program also covers volunteer firefighters, volunteer ambulance personnel, the Fayette County Health Department and employees of a county clerk's or sheriff's office when the county's population is 70,000 or more.

The revenue accruing to the program is derived from participating agencies based upon the claims history of the agency. Claims history is calculated upon a three year running average.

Policy

Notwithstanding KRS 18A.375(3), in fiscal year 2006 the recommended budget authorized transfer of \$1,500,000 from the operating budget to the Workers Compensation Reserve account to restore a portion of reserve funds transferred to the General Fund in fiscal year 2003. In addition, an unbudgeted carry-forward totaling \$3,028,500 is recommended to be transferred to the General Fund.

The Governor's budget recommendation provides additional Restricted Fund appropriation of \$60,000 in fiscal year 2007 and \$63,000 in fiscal year 2008 to support one additional staff person to work with agencies to improve workplace safety with the goal of reducing workers' compensation claims.